

REPORT

(38a)

OF THE MINISTER OF MARINE AND FISHERIES IN REFERENCE TO THE INVESTIGATION HELD BY JUDGE CASSELS.

TUESDAY, March 30, 1909.

CERTIFIED copy of a Report of the Committee of the Privy Council, approved by His Excellency the Governor General on the 29th March, 1909.

The Committee of the Privy Council have had under consideration a report, herewith, dated 27th March, 1909, from the Minister of Marine and Fisheries upon the investigation recently held by the Honourable Walter Cassels respecting the statement contained in the report of the Civil Service Commission reflecting upon the integrity of officials of the Department of Marine and Fisheries and submitting certain recommendations affecting the officials therein named.

The committee, concurring in the said report and the recommendation therein contained, submit for Your Excellency's approval.

F. K. BENNETTS,
Assistant Clerk of the Privy Council.

DEPARTMENT OF MARINE AND FISHERIES, CANADA.

OTTAWA, March, 1909.

To His Excellency,

The Governor General in Council.

The undersigned, Minister of Marine and Fisheries, has the honour to state that pursuant to an order in council of the 1st April, 1908, the Honourable Walter Cassels, Judge of the Exchequer Court of Canada, was appointed a commissioner by him under part 2 of chapter 104 of the Revised Statutes of Canada, 1906, to investigate and report upon the statements contained in the report of the Civil Service Commission reflecting upon the integrity of officials of the Department of Marine and Fisheries; and that in the latter part of the month of January last, the commissioner's report on the investigation was received by him.

In view of the commissioner's findings concerning certain officers and employees of the department, the undersigned begs to submit for your Excellency's consideration the following facts:—

(1) As to Lieutenant-Colonel F. Gourdeau, Deputy Minister of Marine and Fisheries—

That Colonel Gourdeau is now in the 63rd year of his age, and has been over forty-seven years in the government service.

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That this officer, after a conference with the undersigned, applied during the month of March, 1908, for leave of absence preparatory to superannuation, on the ground that it might be considered prejudicial to the fullest inquiry into matters connected with his administration of the department if he were to continue to perform the duties of deputy head during Mr. Justice Cassels' investigation.

That on the 23rd April, 1908, six months leave of absence, from the 1st April, was granted to him by order in council, the question of his superannuation being left for consideration until after the conclusion of the said investigation.

That the commissioner does not declare in his report that Colonel Gourdeau was guilty of wrongdoing or of any corrupt act, but he comments somewhat severely on his connection with certain transactions which were brought up during the investigation.

That in some cases Colonel Gourdeau has shown a lack of discretion, but nothing has been adduced to show that he has profited, either directly or indirectly by any any action he may have taken.

(2) As to Commander O. G. V. Spain, Wreck Commissioner—

That a statement was made against this officer by the Auditor General to the effect that he had been charging amounts for travelling and other expenses to which he was not entitled. The commissioner states in his report that Commander Spain was allowed the fullest latitude of explanation, but that no satisfactory explanation of his action was forthcoming, and that it is therefore impossible for him to absolve Commander Spain from the charges brought against him.

(3) As to Mr. J. F. Fraser, Commissioner of Lights—

That Mr. Fraser was suspended on the 31st March, 1908, and has been under suspension since that date.

That the commissioner finds that Mr. Fraser made certain purchases in direct disobedience to the orders of the Minister of Marine and Fisheries.

That the commissioner also finds against him in regard to some other matters which were brought up during the investigation.

(4) As to Mr. J. U. Gregory, agent of the Department of Marine and Fisheries at Quebec—

That Mr. Gregory has been agent of the department at Quebec since 1870.

That he was suspended on the 31st March, 1908, and has been under suspension ever since.

That he was represented by counsel during the investigation just concluded.

That it was proved that he had exacted sums of money on accounts due by the department to contractors and others who had dealings with the department.

That he applied for superannuation about the time the said investigation began.

(5) As to Mr. F. J. Harding, agent of the Department of Marine and Fisheries at St. John, New Brunswick.

That during the investigation it was established that Mr. Harding had had financial transactions in the way of loans, with those having contracts or other dealings with the department.

That Mr. Harding was suspended from office at the beginning of the investigation of his conduct.

That it was also established that such loans at the beginning of the investigation by his personal friends even before they had any dealings with the department.

That the commissioner finds that there is no proof of overcharges to the department having been made by those persons.

That owing to Mr. Harding having had a recent stroke of paralysis he was unable to give his evidence when the investigation at St. John took place; during part of the time, however, he was represented by counsel.

That the undersigned having taken into consideration the above facts, and certain statements which have been since brought to his knowledge, is of opinion that Mr. Harding did not commit any corrupt act.

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(6) As to Mr. George D. O'Farrell, Inspector of Lights, Quebec—

Mr. O'Farrell is alleged to have received from contractors of the government certain sums of money.

That his evidence and explanations in regard to these allegations were far from being satisfactory.

That the commissioner is of opinion that the purpose for which one of these amounts was given, and the manner in which it was received clearly indicates that it must have been known to Mr. O'Farrell that it was for the purpose of influencing him in the passing of the accounts.

That the commissioner accepts the evidence as to other payments of the same nature notwithstanding Mr. O'Farrell's denials.

That this officer is now under suspension.

(7) As to Mr. Thomson-Schmidt, Inspector Government Steamers—

That this officer is charged with having received certain sums of money from persons to whom he was called upon in his official capacity, to give certain certificates.

That the commissioner states in his report that these sums were paid as bribes, and that he has been unable to find any justification whatever for the conduct of Mr. Thomson-Schmidt.

That this officer is now under suspension.

(8) As to Mr. John Kelly, Inspector of Lights for New Brunswick—

That Mr. Kelly was accused of having received favours from government contractors, and that in consequence of this he was suspended from duty on November 26th, 1908, on the advice of counsel assisting the commissioner in the investigation.

That the commissioner states in his report that the facts educed and the evidence would not justify a finding against Mr. Kelly.

That shortly after the receipt of the commissioner's report Mr. Kelly was relieved from his suspension by the undersigned.

(9) As to Mr. Joseph Louis Richard, Assistant Inspector of Fog Alarms, Quebec agency—

That Mr. Richard was accused of having received money from one Drolet, and that he was suspended on November 7th, 1908, in consequence of such accusation.

That the commissioner considers that the explanation given by Mr. Richard might be accepted, and he absolves him from blame.

That shortly after the receipt of the commissioner's report Mr. Richard was relieved from his suspension by the undersigned.

(10) As to Captain Charles Goenig, Master of the C.G.S. *Druid*, and Inspector of Lights, Quebec agency—

That this officer held a position of trust.

That it was proved that he received many gratuities from government contractors with whom he had dealings in his official capacity.

That his usefulness to the department and his authority are thereby greatly impaired.

That he was suspended from duty on the 22nd November, 1908.

(11) As to Mr. A. E. Beauchemin, Inspector of Dredging below Quebec—

That it was shown that this officer received gratuities from government contractors with whom he had official relations while filling the position of Assistant Inspector of Government Steamers.

That his position is one of trust, and that his usefulness to the department and his authority are greatly impaired by his having accepted such gratuities.

That his explanations of these gratuities were not considered satisfactory by the commissioner.

That he was suspended from duty on the 22nd November, 1908.

(12) As to Captain H. G. McGough, sailing master of the C.G.S. *La Canadienne*.

That Captain McGough was shown to have received some small gratuities.

That he is recommended by the commissioner for lenient treatment.

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That he has been under suspension for four months.

That he is an excellent officer and highly spoken of by his superior officers.

As to Messrs:—

(13) Louis Gagne, foreman carpenter, Quebec agency, and

(14) Narcisse Dufour, foreman blacksmith, Quebec agency—

That they held positions of trust.

That it has been shown that these officers received considerable gratuities from government contractors with whom they had official relations.

That their usefulness to the department and their authority were thereby greatly impaired.

That they are now under suspension.

As to engineers and other temporary and minor employees of the department.

That during and after the investigation the following persons were suspended.

(15) Paul Bolduc, Engineer C.G.S. *Druid*.

T. Theriault, engineer C.G.S. *Champlain*.

A. Roy, engineer fishery protection cruiser *Princess*.

Joseph Belanger, chief engineer lightship *Anticosti*.

Joseph Fontaine, chief engineer C.G.S. *Montcalm*.

Malcolm Morris, engineer fishery protection cruiser *Curlew*.

H. M. Stewart, chief engineer C.G.S. *Aberdeen*.

J. Ferguson, chief engineer C.G.S. *Minto*.

A. Samson, chief engineer dredge *No. 8*.

Eugene Belanger, chief engineer C.G.S. *Christine*.

A. Leitch, second engineer C.G.S. *Aberdeen*.

E. Filteau, formerly engineer on government steamers, but now machinist
Quebec Agency.

Germain Belanger, gas engineer, Quebec agency.

That these employees are still under suspension.

As to Captain J. Von Koenig, chief engineer of the C.G.S. *Arctic*.

That this officer was on board his ship in the extreme north waters of Canada when the commissioner was sitting in Quebec.

That he was therefore unable to give evidence in regard to the charge that he had been paid gratuities in connection with his official duties.

As to—

Captain A. Belanger, formerly master of the C.G.S. *Montcalm*,

Mr. Regis Leblanc, engineer of the White Island lightship,

Mr. J. D. Pettitt, guarantee engineer of the C.G.S. *Montcalm*,

Mr. Tasker, guarantee engineer of the C.G.S. *Champlain*,

Mr. Joseph Lemieux, formerly engineer of the C.G.S. *Rouville*,

Mr. Eli Nolet, engineer of the Red Island lightship,

Mr. Ouellette, engineer of the Princess Shoal lightship,

That these persons are not in the employ of the Department of Marine and Fisheries, some of them never having been in the employ of the department, and others having left the service prior to the investigation.

Having regard to the circumstances of each of the cases above referred to, the undersigned has the honour to recommend as follows:—

1. That Lieutenant-Colonel Gourdeau, Deputy Minister of Marine and Fisheries, be retired from the service, with a superannuation allowance based on his salary on the 31st March, 1908.

2. That Commander Spain be dismissed from the service.

3. That Mr. J. F. Fraser be dismissed from the service.

4. That Mr. J. U. Gregory, agent of the Department of Marine and Fisheries at Quebec, be dismissed from the service.

5. That Mr. F. J. Harding, agent of the Department of Marine and Fisheries at St. John, New Brunswick, be retired from the service with superannuation.

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6. That Mr. George D. O'Farrell, Inspector of Lights, Quebec agency, be dismissed from the service.

7. That Mr. C. Thomson-Schmidt, Inspector of Government Steamers, be dismissed from the service.

8. That Mr. John Kelly, Inspector of Lights for New Brunswick, be reinstated in his position, and that payment of his salary be authorized during his suspension from duty.

9. That Mr. Joseph Louis Richard, Assistant Inspector of Fog alarms, Quebec agency, be reinstated in his position, and that payment of his salary be authorized during his suspension from duty.

10. That Captain Charles Koenig be dismissed from the service.

11. That Mr. A. E. Beauchemin be dismissed from the service.

12. That as to Captain McGough, his suspension to be confirmed for a period of four months, after which he can be reinstated in view of his otherwise excellent record and in view of the recommendation of the commissioner.

That Messrs. (13) Louis Gagne, foreman carpenter, Quebec agency; and (14) Narcisse Dufour, foreman blacksmith, Quebec agency, be dismissed from the service.

15. As to Messrs.—

Paul Bolduc, engineer C.G.S. *Druid*,

T. Theriault, engineer C.G.S. *Champlain*.

A. Roy, engineer fishery protection cruiser *Princess*.

Joseph Belanger, chief engineer lightship *Anticosti*.

Joseph Fontaine, chief engineer C.G.S. *Montcalm*.

Malcolm Morris, engineer fishery protection cruiser *Curlew*.

H. M. Stewart, chief engineer C.G.S. *Aberdeen*.

J. Ferguson, chief engineer *Minto*.

A. Samson, chief engineer dredge No. 8.

Eugene Belanger, chief engineer C.G.S. *Christine*.

A. Leitch, second engineer C.G.S. *Aberdeen*.

E. Filteau, formerly engineer on government steamers, but now machinist, Quebec agency.

That their suspension be confirmed, and their further employment in the department terminated.

Having regard, however, to the evidence brought before the commissioner that it was the custom for engineers to accept such gratuities from contractors, that the undersigned be authorized to receive application from any of them for re-employment in their former positions, or in some other positions in the department, and that in dealing with such applications the minister should consider the following points:—

(a) Nature of offence.

(b) Amount received.

(c) Circumstances under which gratuities paid.

(d) Past record of employee.

(e) Length of service.

(f) If they appeared before the commissioner, manner in which evidence was given.

(g) If they did not so appear, reason for non-appearance.

Provided, however, that no such re-employment shall be authorized within four months from the date of such official's suspension.

As to Captain Von Koenig—

That action in regard to Captain Von Koenig be deferred until that officer's return to Canada from the far north, and that his retention in the service thereafter be conditional upon his furnishing to the Department of Marine and Fisheries a satisfactory explanation of the charges made against him in this connection.

L. P. BRODEUR.

